

SPECIAL NOTIFICATION

Attention Industry Members

FROM: STATE SUPERVISOR

RE: Distribution of Nonalcoholic Beverages

DATE: May 23, 2007

This is a follow-up to the moratorium that was in place until May 18, 2007, to afford liquor industry members an opportunity to seek legislation that allows certain trade practices for nonalcoholic beverages. As you are probably aware, Senate Bill Nos. 299 and 616 passed on May 18, 2007 with Section 311.070.5 addressing nonalcoholic products.

Section 311.070.5 of Senate Bill Nos. 299 and 616 provides:

“5. (1) A distiller, wholesaler, winemaker, or brewer that is also in business as a bona fide producer or vendor of nonalcoholic beverages shall not condition the sale of its alcoholic beverages on the sale of its nonalcoholic beverages nor combine the sale of its alcoholic beverages with the sale of its nonalcoholic beverages, except as provided in subdivision (8) of subsection 4 of this section. The distiller, wholesaler, winemaker, or brewer that is also in business as a bona fide producer or vendor of nonalcoholic beverages may sell, credit, market, and promote nonalcoholic beverages in the same manner in which the nonalcoholic products are sold, credited, marketed, or promoted by a manufacturer or wholesaler not licensed by the supervisor of alcohol and tobacco control;

(2) Any fixtures, equipment, or furnishings provided by any distiller, wholesaler, winemaker, or brewer in furtherance of the sale of nonalcoholic products shall not be used by the retail licensee to store, service, display, advertise, furnish, or sell, or aid in the sale of alcoholic products regulated by the supervisor of alcohol and tobacco control. All such fixtures, equipment, or furnishings shall be identified by the retail licensee as being furnished by a licensed distiller, wholesaler, winemaker, or brewer.”

Senate Bill Nos. 299 and 616 will become effective on August 28, 2007 if signed by the Governor. However, the provisions of Section 311.070.5 addressing the distribution of nonalcoholic products may be implemented immediately to allow licensed wholesalers to be competitive with wholesalers not licensed with the Division.

Please contact the Division if you have any questions or concerns regarding this notification.

Sincerely,

Peter W. Lobdell
State Supervisor